

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 307 - HB 1596

April 5, 2021

SUMMARY OF ORIGINAL BILL: Requires the Department of Health (DOH) to give a one-time stipend of \$1,500 within one month of the effective date, to certain healthcare professionals who provided healthcare services during the state of emergency declared by the Governor in Executive Order No. 14 on March 12, 2020.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$233,688,300/FY21-22

SUMMARY OF AMENDMENT (006688): Deletes and replaces all language after the enacting clause such that the only change is to clarify that those eligible for the stipend must have provided services in a healthcare facility in Tennessee.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures - \$219,587,200/FY21-22

Assumptions for the bill as amended:

- The purposed legislation identifies the following professions as eligible for the one-time stipend:
 - Emergency medical technicians;
 - Licensed practical nurses;
 - Medical lab technicians;
 - Operators of X-ray equipment;
 - Paramedics;
 - Pharmacy technicians;
 - Registered nurses; and
 - Respiratory care practitioners.
- According to the DOH, of the listed professions, there are a combined 191,854 eligible recipients.
- The proposed language is estimated to reduce the number of healthcare professionals who will receive such stipend. The exact reduction is unknown but is estimated to be equal to half the number of licensed lab technicians and licensed pharmacy technicians.
- A reduction of 12,500 licensed professionals $[(18,912 \times 50.0\%) + (6,087 \times 50.0\%)]$.

- The number of such professional that provided healthcare services during the current state of emergency that qualify and will seek and receive the stipend is unknown. However, it is estimated that of the 179,354 (191,854 – 12,500) eligible recipients approximately 75 percent or 134,516 (179,354 eligible recipient x 75.0%) will receive the stipend under the provisions of the legislation.
- The total increase to state expenditure associated with the stipend is estimated to be \$201,774,000 (\$1,500 stipend x 134,516 recipients) in FY21-22.
- This legislation requires each stipend to be provided to the healthcare professional within one month of the act becoming law, which would require 5,381 claims per day (134,516 recipients / 25 day) to be processed in 25 business days.
- Processing each stipend will be handled by the Department of Finance and Administration (F&A).
- Based on information provided by F&A, processing the stipends cannot be handled within existing resources or current methods. F&A will need to develop a web portal with a secure backend database in conjunction with DOH, Strategic Technology Solutions and the Account Divisions. F&A staff will then need to enter the eligible data retrieved from the DOH into the database.
- The development of such a database unknown, but is reasonably estimated to be a one-time cost of \$17,220,000 for development and staffing to accomplish the requirements of the legislation in the time frame specified.
- Based on information provided by the DOH the proposed legislation cannot be accommodated within existing resources.
- The DOH will need to verify eligible licensees, validate and verify tax ID numbers, and confirm what and where services were performed. It is estimated that one employee could do such at a rate of 32 claims per day resulting in the need to hire 169 employees (5,381 recipient claims per day / 32 claims per employee).
- In order to process the stipends in a timely manner, each contract employee will be paid at a rate of \$17.55 per hour for a total of 25 days, or \$3,510 [(\$17.55/hr. x 8 hrs. a day) x 25 days].
- The total increase associated with the temporary contract positions is estimated to be \$593,190 (169 employees x \$3,510).
- The total increase to state expenditures from the general fund is estimated to be \$219,587,190 (\$593,190 employees + \$201,774,000 stipends + \$17,220,000 database and staffing) in FY21-22.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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